

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, MAY 13, 2015– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, JUNE 10, 2015**

MEETING NO. 423

Members present:

Janice (Jan) Carpenter
Thomas Fiore, representing Benjamin Barnes**
Laurence Hale*
Joshua Hall
David (Duke) Himmelreich***
Steven Muench
William Murray
Denise L. Nappier, Treasurer*****
Carol Thomas, Interim Chair
Peter Thor

Others present:

Christine Shaw, Deputy Treasurer
Lee Ann Palladino, Chief Investment Officer
Deborah Spalding, Deputy Chief Investment Officer
David Barrett, Director of Communications
Wayne Hypolite, Executive Assistant
Laura Jordan, Interim Assistant Treasurer
Harvey Kelly, Pension Fund Analyst
Catherine LaMarr, Legal Counsel
Christina McGinnis, Executive Secretary
Terrence Purcell, Principal Investment Officer
Cherie Santos-Wuest, Principal Investment Officer
Linda Tudan, Executive Assistant

Guests:

Bradley Atkins, Franklin Park Associates, LLC
Seth Alvord, Connecticut Growth Capital, LLC
Doug Boains, Constitution Fund V, LLC
Laureen Costa, Nutmeg Opportunities Fund II, LLC
Michelle Davidson, TorreyCove Capital Partners, LLC
Kristin DePlatchett, StepStone Group, LP
Michael Elio, StepStone Group, LP
David Fann, TorreyCove Capital Partners, LLC
Jeff Goldberger, TorreyCove Capital Partners, LLC
Eduardo Gonzalez, Edgon Financial LL
Karl Hartmann, Franklin Park Associates, LLC
Mark Johnson, Cliffwater, LLC
Greg Jones, Legacy Fndfn
Jim Kane, Unite Here
Justin Kaplan, Connecticut Growth Capital, LLC
Robyn Kaplan-Cho, Connecticut Education Association

*Arrival 9:05a.m.

**Arrival 9:08a.m.

***Arrival 9:11a.m./Departure 12:15p.m.

****Arrival 9:14a.m.

Kara King, TorreyCove Capital Partners, LLC
Alan Mattamana, Constitution Fund V, LLC
Ashmi Mehrotra, Nutmeg Opportunities Fund II, LLC
Neil Mowery, Franklin Park Associates, LLC
Kristine O’Connell, Franklin Park Associates, LLC
Kola Olofinboba, Constitution Fund V, LLC
JoAnn Price, Constitution Fund V, LLC
Lisa Rotenberg, Goldman Sachs
Lance Sauerteig, Connecticut Growth Capital, LLC
Claire Shaugnessy, AonHewitt Investment Consulting
Tim Weld, StepStone Group, LP

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council (“IAC”) meeting to order at 9:05 a.m.

Approval of Minutes of the March 11, 2015 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the March 11, 2015 IAC meeting. **Peter Thor moved to approve the minutes of the March 11, 2015 IAC meeting as drafted. The motion was seconded by William Murray. There were two abstentions, Laurence Hale and Steven Muench. There being no discussion, the Chair called for the vote. The motion passed unanimously.**

Comments by the Treasurer

Treasurer Nappier began her opening remarks by informing the IAC members of an In-State investment mandate for the Private Investment Fund (“PIF”) being presented by the following three firms: Nutmeg Opportunities Fund II, LLC (“Nutmeg II”), Constitution Fund V, LLC (“Constitution Fund V”) and Connecticut Growth Capital, LLC “Connecticut Growth”).

Next, Treasurer Nappier commented on the agenda and provided highlights on the three semi-finalist firms being presented to the IAC for the PIF consultant mandate: Franklin Park

Associates, LLC (“Franklin Park”), StepStone Group, LP (“StepStone”) and TorreyCove Capital Partners, LLC (“TorreyCove”).

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Months Ended February 28, 2015 and March 31, 2015

Lee Ann Palladino, Chief Investment Officer (“CIO”), provided an update on the capital market environment, its impact on the performance of the Connecticut Retirement Plans and Trust Funds (“CRPTF”) and the economic outlook. Next, she reported on the investment performance for the months ended February 28, 2015 and March 31, 2015.

Presentation by and Consideration of the In-State Mandate

Terrence Purcell, Principal Investment Officer (“PIO”) provided opening remarks and introduced Nutmeg Fund II, Constitution Fund V and Connecticut Growth for the In-State Mandate, a PIF opportunity. Nutmeg Fund II, represented by Laureen Costa, Managing Director/Portfolio Manager and Ashmi Mehrotra, Managing Director/Portfolio Manager; Constitution Fund V represented by JoAnn Price, Co-founder/Managing Partner, Kola Olofinboba, Managing Partner, Doug Boains, Partner, Chief Financial Officer (“CFO”) and Chief Operating Officer (“COO”) and Alan Mattamana, Principal; and Connecticut Growth, represented by Seth Alvord, Managing Partner, Justin Kaplan, Partner and Lance Sauerteig, Partner, each made a presentation to the IAC.

Roll Call of Reactions of the In-State Mandate

Mr. Muench, Jan Carpenter, Mr. Murray, David Himmelreich, Thomas Fiore, Mr. Thor, Joshua Hall, Mr. Hale and Chair Thomas provided feedback on the In-State Mandate.

Chair Thomas called for a motion to waive the 45-day comment period. **A motion was made by Mr. Thor, seconded by Mr. Murray, to waive the 45-day comment period for the In-State Mandate. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Presentation by and Consideration of the Semi-Finalists for the Private Investment Fund Consultant Search

Terrence Purcell, PIO, provided opening remarks and introduced semi-finalists Franklin Park, StepStone and TorreyCove, for the PIF Consultant Search.

Franklin Park, represented by Brad Atkins, Chief Executive Officer “(CEO)”, Karl Hartmann, COO, Neil Mowery, Managing Director and Kristine O’Connor, CFO; StepStone, represented by Kristin DePlatchett, Principal, Michael Elio, Partner, and Tim Weld, Partner; TorreyCove, represented by Michelle Davidson, Managing Director, David Fann, President and CEO, Jeff Goldberger, CFA, Senior Vice President and Kara King, Managing Director, made a presentation to the IAC.

Roll Call of Reactions to the Private Investment Fund Consultant Search

Messrs. Thor, Hall, Hale, Muench, Murray, Fiore, Ms. Carpenter and Chair Thomas provided feedback to the Treasurer.

Report on Corporate Governance for quarter ended December 31, 2014

Laura Jordan, Assistant Treasurer, Policy, reported on corporate governance activities for the quarter ended December 31, 2014.

Chair Thomas called for a motion to accept the report on Corporate Governance activities. **A motion was made by Ms. Carpenter, seconded by Mr. Hale, to accept the report on Corporate Governance activities. There being no discussion, Chair Thomas put the question to a vote and the motion passed unanimously.**

Other Business

Chair Thomas invited the IAC members to submit agenda items for the June 10, 2015 IAC meeting.

Executive Session

A motion was made by Mr. Murray, seconded by Mr. Muench that the Investment Advisory Council adjourn the Regular Session at 1:58 p.m. and enter into Executive Session to consider a personnel matter. The motion was passed unanimously. Lee Ann Palladino, CIO and Christine Shaw, Deputy Treasurer, participated in the Executive Session.

Regular Session

Chair Thomas reconvened the regular session at 2:09 p.m. She noted that no votes were taken during the executive session.

Consideration of the Appointment of the interim Chief Investment Officer

Treasurer Nappier announced that Lee Ann Palladino, CIO had stated that she would retire as of July 1, 2015. The IAC members congratulated Ms. Palladino on her upcoming retirement. Treasurer Nappier then presented her recommendation to appoint Deborah Spalding as Interim CIO. She asked that the IAC consider approving her recommendation.

Chair Thomas asked for a motion to approve the recommendation of the appointment of Deborah Spalding as interim CIO for the CRPTF effective upon the date of retirement of the current CIO, Lee Ann Palladino.

A motion was made by Mr. Hale, seconded by Mr. Hall, to approve the appointment of Deborah Spalding as interim CIO for the CRPTF effective upon the date of retirement of the current CIO, Lee Ann Palladino. The motion was passed unanimously.

There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Mr. Thor moved to adjourn the meeting and the motion was seconded by Mr. Hall. There being no discussion, the meeting was adjourned at 2:11 p.m.**

This meeting was electronically recorded.